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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-086, A-583-864, and A-549-839]

Steel Propane Cylinders from the People's Republic of China, Taiwan, and Thailand: Initiation of Less-Than-Fair-Value Investigations

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

DATES: Applicable June 11, 2018.

FOR FURTHER INFORMATION CONTACT: Alex Rosen at (202) 482-7814 (China); Laurel LaCivita at (202) 482-4243 or Paul Stolz at (202) 482-4474 (Taiwan); and Cindy Robinson at (202) 482-3797 or Stephanie Moore at (202) 482-3692 (Thailand); AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Petitions

On May 22, 2018, the U.S. Department of Commerce (Commerce) received antidumping duty (AD) petitions concerning imports of steel propane cylinders from People's Republic of China (China), Taiwan, and Thailand, and a countervailing duty (CVD) petition concerning imports of steel propane cylinders from China filed in proper form on behalf of Worthington

Industries and Manchester Tank & Equipment Co. (the petitioners).¹ The petitioners are domestic producers of steel propane cylinders.²

The petitioners amended the scope of the petitions on May 24, 2018.³ On May 25 and 31, 2018, Commerce requested supplemental information pertaining to certain areas of the petitions.⁴ The petitioners filed responses to these requests on May 30 and June 1, 2018.⁵

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioners allege that imports of steel propane cylinders from China, Taiwan, and Thailand are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, the domestic industry producing steel propane cylinders in the United States.

¹ See the petitioners' letter, "Steel Propane Cylinders from the People's Republic of China, Taiwan, and Thailand: Petition for the Imposition of Antidumping and Countervailing Duties," dated May 22, 2018 (the Petitions). For the purposes of the instant notice, all references to 'the Petitions' refer specifically to the AD Petitions.

² See Volume I of the Petitions, at 2-3.

³ See the petitioners' letter, "Steel Propane Cylinders from the People's Republic of China, Taiwan, and Thailand: Petitioners' Amendment to Volume I Relating to General Issues," dated May 24, 2018 (Scope Amendment).

⁴ See Commerce's letters, "Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Steel Propane Cylinders from the People's Republic of China, Taiwan, and Thailand: Supplemental Questions" (General Issues Supplemental Questionnaire); "Petition for the Imposition of Antidumping Duties on Imports of Steel Propane Cylinders from the People's Republic of China: Supplemental Questions" (China AD Supplemental Questionnaire); "Petition for the Imposition of Antidumping Duties on Imports of Steel Propane Cylinders from Taiwan: Supplemental Questions" (Taiwan Supplemental Questionnaire); "Petition for the Imposition of Antidumping Duties on Imports of Steel Propane Cylinders from Thailand: Supplemental Questions" (Thailand Supplemental Questionnaire); all four of these documents are dated May 25, 2018. See also memoranda, "Petition for the Imposition of Antidumping Duties on Imports of Steel Propane Cylinders from China: Telephone Call to the Petitioners Regarding Antidumping Petition," and, "Petition for the Imposition of Antidumping Duties on Imports of Steel Propane Cylinders from Thailand: Telephone Call to the Petitioners Regarding Antidumping Petition," both dated May 31, 2018.

⁵ See the petitioners' letters, "Steel Propane Cylinders from the People's Republic of China, Taiwan, and Thailand: Petitioners' Supplement to Volume I Relating to General Issues" (General Issues Supplement); "Steel Propane Cylinders from the People's Republic of China, Taiwan, and Thailand: Petitioners' Supplement to Volume II Related to China" (China AD Supplement); "Steel Propane Cylinders from the People's Republic of China, Taiwan, and Thailand: Petitioners' Supplement to Volume III Related to Taiwan" (Taiwan AD Supplement); "Steel Propane Cylinders from the People's Republic of China, Taiwan, and Thailand: Petitioners' Supplement to Volume IV Related to Thailand" (Thailand AD Supplement); all four of these documents are dated May 30, 2018. See also the petitioners' letters, "Steel Propane Cylinders from the People's Republic of China, Taiwan, and Thailand: Petitioners' Response Regarding the Exchange Rate Used for Thailand/Volume IV" (Second Thailand AD Supplement) and, "Steel Propane Cylinders from the People's Republic of China, Taiwan, and Thailand: Petitioners' Exchange Rate Response Regarding China/Volume II" (Second China AD Supplement), each dated June 1, 2018.

Consistent with section 732(b)(1) of the Act, the petitions are accompanied by information reasonably available to the petitioners supporting their allegations.

Commerce finds that the petitioners filed the petitions on behalf of the domestic industry because the petitioners are interested parties as defined in section 771(9)(C) of the Act. We also find that the petitioners demonstrated sufficient industry support with respect to the initiation of the AD investigations that the petitioners are requesting.⁶

Periods of Investigation

Because the petitions were filed on May 22, 2018, pursuant to 19 CFR 351.204(b)(1), the period of investigation (POI) for the Taiwan and Thailand investigations is April 1, 2017, through March 31, 2018.⁷ Because China is a non-market economy (NME) country, pursuant to 19 CFR 351.204(b)(1), the POI for the China investigation is October 1, 2017, through March 31, 2018.

Scope of the Investigations

The products covered by these investigations are steel propane cylinders from China, Taiwan, and Thailand. For a full description of the scope of these investigations, *see* the Appendix to this notice.

Comments on Scope of the Investigations

During our review of the petitions, Commerce issued questions to, and received responses from, the petitioners pertaining to the proposed scope to ensure that the scope language in the petitions is an accurate reflection of the product for which the domestic industry is seeking relief.⁸ As a result of these exchanges, the scope of the petitions was modified to

⁶ See the “Determination of Industry Support for the Petitions” section, *infra*.

⁷ See 19 CFR 351.204(b)(1).

⁸ See General Issues Supplemental Questionnaire, at 1-3 and General Issues Supplement, at 3-12.

clarify the description of merchandise covered by the petitions. The description of the merchandise covered by this initiation, as described in the Appendix to this notice, reflects these clarifications.

As discussed in the *Preamble* to Commerce's regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (scope), including comments on whether it is appropriate to refer to the subject merchandise as "steel *propane* cylinders," (emphasis added) or just as "steel cylinders," given that the petitioners intend to cover all products that meet the physical description of the scope regardless of whether they ultimately contain or transport compressed or liquefied propane gas.⁹ Commerce will consider all comments received from interested parties and, if necessary, will consult with interested parties prior to the issuance of the preliminary determinations. If scope comments include factual information,¹⁰ all such factual information should be limited to public information. To facilitate preparation of its questionnaires, Commerce requests that all interested parties submit such comments by 5:00 p.m. Eastern Time (ET) on July 2, 2018, which is the next business day after 20 calendar days from the signature date of this notice.¹¹ Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on July 11, 2018, which is 10 calendar days from the initial comments deadline.¹²

Commerce requests that any factual information the parties consider relevant to the scope of the investigations be submitted during this time period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigations may be

⁹ See *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997); see also General Issues Supplement, at 4 and 8-9. On June 11, 2018, the petitioners filed proposed revisions to the scope language for Commerce's consideration. See letter from the petitioners, "Steel Propane Cylinders from the People's Republic of China, Taiwan, and Thailand – Amended Scope Language," dated June 11, 2018.

¹⁰ See 19 CFR 351.102(b)(21) (defining "factual information").

¹¹ See 19 CFR 351.303(b).

¹² *Id.*

relevant, the party may contact Commerce and request permission to submit the additional information. All such comments must be filed on the records of each of the concurrent AD and CVD investigations, in accordance with the filing requirements, discussed immediately below.

Filing Requirements

All submissions to Commerce must be filed electronically using Enforcement and Compliance's Antidumping Duty and Countervailing Duty Centralized Electronic Service System (ACCESS).¹³ An electronically filed document must be received successfully in its entirety by the time and date it is due. Documents exempted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with Enforcement and Compliance's APO/Dockets Unit, Room 18022, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, and stamped with the date and time of receipt by the applicable deadlines.

Comments on Product Characteristics for AD Questionnaires

Commerce requests comments from interested parties regarding the appropriate physical characteristics of steel propane cylinders to be reported in response to Commerce's AD questionnaires. This information will be used to identify the key physical characteristics of the merchandise under consideration in order to report the relevant costs of production accurately as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide

¹³ See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011); see also *Enforcement and Compliance; Change of Electronic Filing System Name*, 79 FR 69046 (November 20, 2014) for details of Commerce's electronic filing requirements, effective August 5, 2011. Information on help using ACCESS can be found at <https://access.trade.gov/help.aspx> and a handbook can be found at <https://access.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

comments as to which characteristics are appropriate to use as: (1) general product characteristics, and (2) product-comparison criteria. We note that it is not always appropriate to use all product characteristics as product-comparison criteria. We base product-comparison criteria on meaningful commercial differences among products. In other words, although there may be some physical product characteristics utilized by manufacturers to describe steel propane cylinders, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, Commerce attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaires, all product characteristics comments must be filed by 5:00 p.m. ET on July 2, 2018, which is the first business day after 20 calendar days from the signature date of this notice. Any rebuttal comments must be filed by 5:00 p.m. ET on July 11, 2018. All comments and submissions to Commerce must be filed electronically using ACCESS, as explained above, on the records of the China, Taiwan, and Thailand less-than-fair-value investigations.

Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the

petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, Commerce shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers, as a whole, of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs Commerce to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both Commerce and the ITC must apply the same statutory definition regarding the domestic like product,¹⁴ they do so for different purposes and pursuant to a separate and distinct authority. In addition, Commerce’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.¹⁵

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

¹⁴ See section 771(10) of the Act.

¹⁵ See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff’d* 865 F.2d 240 (Fed. Cir. 1989)).

With regard to the domestic like product, the petitioners do not offer a definition of the domestic like product distinct from the scope of the investigations.¹⁶ Based on our analysis of the information submitted on the record, we have determined that steel propane cylinders, as defined in the scope, constitute a single domestic like product, and we have analyzed industry support in terms of that domestic like product.¹⁷

In determining whether the petitioners have standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the petitions with reference to the domestic like product as defined in the “Scope of the Investigations,” in the Appendix to this notice. To establish industry support, the petitioners provided their own production of the domestic like product in 2017.¹⁸ The petitioners state that there are no other known producers of steel propane cylinders in the United States; therefore, the petitions are supported by 100 percent of the U.S. industry.¹⁹

Our review of the data provided in the petitions and other information readily available to Commerce indicates that the petitioners have established industry support for the petitions.²⁰ First, the petitions established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, Commerce is not required to take further action in order to evaluate industry support (*e.g.*,

¹⁶ See Volume I of the Petitions, at 10-12; *see also* General Issues Supplement, at 13-18.

¹⁷ For a discussion of the domestic like product analysis as applied to these cases and information regarding industry support, *see* Attachment II, “Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Steel Propane Cylinders from the People’s Republic of China, Taiwan, and Thailand” (Attachment II) of the following Antidumping Duty Investigation Initiation Checklists: “Steel Propane Cylinders from the People’s Republic of China” (China AD Initiation Checklist); “Antidumping Duty Investigation Initiation Checklist: Steel Propane Cylinders from Taiwan” (Taiwan AD Initiation Checklist); and “Antidumping Duty Investigation Initiation Checklist: Steel Propane Cylinders from Thailand” (Thailand AD Initiation Checklist) (collectively, AD Initiation Checklists). These checklists are dated concurrently with this notice and on file electronically via ACCESS. Access to documents filed via ACCESS is also available in the Central Records Unit, Room B8024 of the main Department of Commerce building.

¹⁸ See Volume I of the Petitions, at 3-4 and Exhibit GEN-2.

¹⁹ *Id.* at 3-4 and Exhibits GEN-1 and GEN-2. For further discussion, *see* AD Initiation Checklists, at Attachment II.

²⁰ *Id.*

polling).²¹ Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the petitions account for at least 25 percent of the total production of the domestic like product.²² Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petitions.²³ Accordingly, Commerce determines that the petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

Commerce finds that the petitioners filed the petitions on behalf of the domestic industry because they are interested parties as defined in section 771(9)(C) of the Act, and they have demonstrated sufficient industry support with respect to the AD investigations that they are requesting that Commerce initiate.²⁴

Allegations and Evidence of Material Injury and Causation

The petitioners allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal value (NV). In addition, the petitioners allege that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.²⁵

²¹ *Id.*; see also section 732(c)(4)(D) of the Act.

²² See AD Initiation Checklists, at Attachment II.

²³ *Id.*

²⁴ *Id.*

²⁵ See Volume I of the Petitions, at 13-14 and Exhibit GEN-1.

The petitioners contend that the industry's injured condition is illustrated by a significant and increasing volume of imports from the subject countries; the domestic industry's reduced market share; underselling and price depression or suppression; a negative impact on the domestic industry's production, shipments, capacity utilization, and financial performance; and lost sales and revenues.²⁶ We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence, and meet the statutory requirements for initiation.²⁷

Allegations of Sales at Less Than Fair Value

The following is a description of the allegations of sales at less than fair value upon which Commerce based its decision to initiate AD investigations of imports of steel propane cylinders from China, Taiwan, and Thailand. The sources of data for the deductions and adjustments relating to U.S. price and NV are discussed in greater detail in the country-specific initiation checklists.

Export Price

For China and Thailand, the petitioners based export price (EP) on pricing information for steel propane cylinders produced in, and exported from, those countries and sold or offered for sale in the United States.²⁸ For China, the petitioners also based EP on the average unit

²⁶ *Id.*, at 9-25 and Exhibits GEN-1, GEN-7 through GEN-15; *see also* General Issues Supplement at 3 and Exhibit GEN-Supp-2.

²⁷ *See* AD Initiation Checklists, at Attachment III, "Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Steel Propane Cylinders from the People's Republic of China, Taiwan, and Thailand" (Attachment III).

²⁸ *See* China AD Initiation Checklist and Thailand AD Initiation Checklist.

values (AUVs) of publicly-available import data.²⁹ For Taiwan, the petitioners based EP on the AUV of publicly-available import data.³⁰

Where appropriate, the petitioners made deductions from U.S. price for movement and other expenses consistent with the terms of sale.³¹

Normal Value

For Taiwan and Thailand, the petitioners based normal value (NV) on home market prices obtained through market research for steel propane cylinders produced in and sold, or offered for sale in each country within the proposed POI.³² The petitioners calculated net home market prices, adjusting as appropriate for delivery terms and other price adjustments.³³ For Taiwan and Thailand, the petitioners provided information indicating that the prices were below the cost of production (COP), and therefore, the petitioners also calculated NV based on constructed value (CV).³⁴ For further discussion of COP and NV based on CV, *see* the section “Normal Value Based on Constructed Value” below.³⁵

With respect to China, Commerce considers China to be an NME country.³⁶ In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by Commerce. Therefore, we continue to treat

²⁹ *See* China AD Initiation Checklist.

³⁰ *See* Taiwan AD Initiation Checklist.

³¹ *See* AD Initiation Checklists.

³² *See* Taiwan AD Initiation Checklist and Thailand AD Initiation Checklist.

³³ *Id.*

³⁴ *Id.*

³⁵ In accordance with section 505(a) of the Trade Preferences Extension Act of 2015, amending section 773(b)(2) of the Act, for this investigation, Commerce will request information necessary to calculate the CV and cost of production (COP) to determine whether there are reasonable grounds to believe or suspect that sales of the foreign like product have been made at prices that represent less than the COP of the product. Commerce no longer requires a COP allegation to conduct this analysis.

³⁶ *See Antidumping Duty Investigation of Certain Aluminum Foil from the People's Republic of China: Affirmative Preliminary Determination of Sales at Less-Than-Fair Value and Postponement of Final Determination*, 82 FR 50858, 50861 (November 2, 2017), and accompanying decision memorandum, *China's Status as a Non-Market Economy*, unchanged in *Certain Aluminum Foil from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 83 FR 9282 (March 5, 2018).

China as an NME country for purposes of the initiation of this investigation. Accordingly, NV in China is appropriately based on factors of production (FOPs) valued in a surrogate market economy country, in accordance with section 773(c) of the Act.³⁷

The petitioners claim that Thailand is an appropriate surrogate country for China because it is a market economy country that is at a level of economic development comparable to that of China and it is a significant producer of identical merchandise.³⁸ The petitioners provided publicly-available information from Thailand to value all FOPs and derive surrogate financial ratios.³⁹ Therefore, based on the information provided by the petitioners, we determine that it is appropriate to use Thailand as the primary surrogate country for initiation purposes.

Interested parties will have the opportunity to submit comments regarding surrogate country selection and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value FOPs within 30 days before the scheduled date of the preliminary determination.

Factors of Production

Because information regarding the volume of inputs consumed by producers/exporters in China was not reasonably available, the petitioners relied on their own product-specific consumption rates to estimate the FOPs for the manufacturers in China.⁴⁰ The petitioners valued the estimated FOPs using surrogate values from Thailand, as noted above.⁴¹ The petitioners used the average POI exchange rate to convert the data to U.S. dollars.⁴² The petitioners relied upon

³⁷ See China AD Initiation Checklist.

³⁸ See Volume II of the Petitions, at 10-12.

³⁹ *Id.*, at Exhibit AD-PRC-5 (A-G), and China AD Supplement Exhibit AD-PRC-Supp-4-G.

⁴⁰ See China AD Initiation Checklist.

⁴¹ *Id.*

⁴² *Id.*

the financial statements of three Thai producers of steel propane cylinders, to value overhead; selling, general, and administrative (SG&A) expenses; and profit.⁴³

Normal Value Based on Constructed Value

As noted above, for Taiwan and Thailand, the petitioners obtained home market prices but demonstrated that these prices were below the COP during the POI; therefore, the petitioners also based NV on CV pursuant to section 773(a)(4) of the Act. Pursuant to section 773(e) of the Act, CV consists of the cost of manufacturing (COM); SG&A expenses; financial expenses; profit; and packing expenses.

For Taiwan, the petitioners calculated the COM based on a domestic producer's own input factors of production and usage rates for raw materials, labor, energy, and packing.⁴⁴ The petitioners valued the input factors of production using publicly available data on costs specific to Taiwan, during the proposed POI.⁴⁵ Specifically, the petitioners based prices for raw material and packing inputs on publicly available import data for Taiwan.⁴⁶ The petitioners valued labor and energy costs using publicly available sources for Taiwan.⁴⁷ The petitioners calculated factory overhead, SG&A, financial expenses, and profit for Taiwan based on the experience of producers in Taiwan of comparable merchandise (*e.g.*, light steel frames, fire-proof doors, various machines, metal building structure assembly, steel wire products, other metalwork, *etc.*).⁴⁸

⁴³ *Id.*

⁴⁴ *See* Taiwan AD Initiation Checklist.

⁴⁵ *Id.*

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ *Id.*

For Thailand, the petitioners calculated the COM based on the domestic producers' own input factors of production and usage rates for raw materials, labor, energy, and packing.⁴⁹ The petitioners valued input factors of production using publicly available data on costs specific to Thailand, during the proposed POI.⁵⁰ Specifically, the petitioners based the prices for raw material and packing inputs on publicly available import data for Thailand.⁵¹ The petitioners valued labor and energy costs using publicly available sources for Thailand.⁵² The petitioners calculated factory overhead, SG&A (including financial expenses), and profit for Thailand based on the experience of a Thai producer of steel propane cylinders.⁵³

Fair Value Comparisons

Based on the data provided by the petitioners, there is reason to believe that imports of steel propane cylinders from China, Taiwan, and Thailand are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of EP to NV in accordance with sections 772 and 773 of the Act, the estimated dumping margins for steel propane cylinders for each of the countries covered by this initiation are as follows: (1) China: 55.41 to 108.60 percent;⁵⁴ (2) Taiwan: 27.19 to 66.20 percent;⁵⁵ and (3) Thailand: 47.67 to 122.48 percent.⁵⁶

Initiation of Less-than-Fair-Value Investigations

Based upon the examination of the petitions, we find that the petitions meet the requirements of section 732 of the Act. Therefore, we are initiating AD investigations to determine whether imports of steel propane cylinders from China, Taiwan, and Thailand are

⁴⁹ See Thailand AD Initiation Checklist.

⁵⁰ *Id.*

⁵¹ *Id.*

⁵² *Id.*

⁵³ *Id.*

⁵⁴ See China AD Initiation Checklist.

⁵⁵ See Taiwan AD Initiation Checklist.

⁵⁶ See Thailand AD Initiation Checklist.

being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

Respondent Selection

The petitions named ten companies in China, eleven companies in Taiwan, and four companies in Thailand as producers/exporters of steel propane cylinders.⁵⁷ Following standard practice in AD investigations involving market economy countries, in the event Commerce determines that the number of companies is large and it cannot individually examine each company based upon Commerce's resources, where appropriate, Commerce intends to select respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports of steel propane cylinders from Taiwan and Thailand during the POI under the appropriate Harmonized Tariff Schedule of the United States numbers listed in the "Scope of the Investigations," in the Appendix.

We also intend to release the CBP data under Administrative Protective Order (APO) to all parties with access to information protected by APO on the record within five business days of publication of this *Federal Register* notice. Comments regarding the CBP data and respondent selection should be submitted seven calendar days after the placement of the CBP data on the record of these investigations. Parties wishing to submit rebuttal comments should submit those comments five calendar days after the deadline for the initial comments. Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305(b). Instructions for filing such applications may be found on Commerce's Web site at <http://enforcement.trade.gov/apo>.

⁵⁷ See Volume I of the Petitions, at 9 and Exhibit GEN-7.

All respondent selection comments must be filed electronically using ACCESS. An electronically-filed document must be received successfully, in its entirety, by Commerce's electronic records system, ACCESS, no later than 5:00 p.m. ET on the dates noted above. We intend to make our decisions regarding respondent selection within 20 days of publication of this notice.

With respect to respondent selection for China, we intend to issue quantity and value (Q&V) questionnaires to producers/exporters of merchandise under consideration in accordance with our standard practice for respondent selection in AD cases involving NME countries. In the event Commerce determines that it cannot individually examine each company, where appropriate, Commerce intends to select mandatory respondents based on the responses received. For the China investigation, Commerce will request Q&V information from known exporters and producers identified with complete contact information in the petitions. In addition, Commerce will post the Q&V questionnaires along with filing instructions on Enforcement and Compliance's website at <http://www.trade.gov/enforcement/news.asp>.

Producers/exporters of steel propane cylinders from China that do not receive Q&V questionnaires by mail may still submit a response to the Q&V questionnaire and can obtain a copy of the Q&V questionnaire from Enforcement & Compliance's website. The Q&V response must be submitted by the relevant exporters/producers in China no later than 5:00 p.m. ET on June 25, 2018, which is two weeks from the signature date of this notice. All Q&V responses must be filed electronically via ACCESS.

Separate Rates

In order to obtain separate-rate status in an NME investigation, exporters and producers must submit a separate-rate application. The specific requirements for submitting a separate-rate

application in this investigation are outlined in detail in the application itself, which is available on Commerce's web site at <http://enforcement.trade.gov/nme/nme-sep-rate.html>. The separate-rate application will be due 30 days after publication of this initiation notice. Exporters and producers who submit a separate-rate application and have been selected as mandatory respondents will be eligible for consideration for separate-rate status only if they respond to all parts of Commerce's AD questionnaire as mandatory respondents. Commerce requires that companies from China submit a response to both the Q&V questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status. Companies not filing a timely Q&V response will not receive separate-rate consideration.

Use of Combination Rates

Commerce will calculate combination rates for certain respondents that are eligible for a separate rate in an NME investigation. The Separate Rates and Combination Rates Bulletin states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME Investigation will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of "combination rates" because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.⁵⁸

⁵⁸ See Policy Bulletin 05.1 at 6 (emphasis added).

Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A)(i) of the Act and 19 CFR 351.202(f), copies of the public version of the petitions have been provided to the governments of China, Taiwan, and Thailand *via* ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the petitions to each exporter named in the petitions, as provided under 19 CFR 351.203(c)(2).

ITC Notification

We will notify the ITC of our initiation, as required by section 732(d) of the Act.

Preliminary Determinations by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the petitions were filed, whether there is a reasonable indication that imports of steel propane cylinders from China, Taiwan, and/or Thailand are materially injuring, or threatening material injury to, a U.S. industry.⁵⁹ A negative ITC determination for any country will result in the investigation being terminated with respect to that country.⁶⁰ Otherwise, the investigations will proceed according to statutory and regulatory time limits.

Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by Commerce; and (v) evidence other than factual information described in (i)–(iv). Any party, when submitting factual information, must specify under which subsection of 19 CFR 351.102(b)(21)

⁵⁹ See section 733(a) of the Act.

⁶⁰ *Id.*

the information is being submitted⁶¹ and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct.⁶² Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Interested parties should review the regulations prior to submitting factual information in these investigations.

Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351.301, or as otherwise specified by the Secretary. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under 19 CFR 351.301. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET on the due date. Under certain circumstances, we may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, we will inform parties in the letter or memorandum setting forth the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, stand-alone submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits. Parties should review *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013), available at <http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm>, prior to submitting factual information in these investigations.

⁶¹ See 19 CFR 351.301(b).

⁶² See 19 CFR 351.301(b)(2).

Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.⁶³ Parties must use the certification formats provided in 19 CFR 351.303(g).⁶⁴ Commerce intends to reject factual submissions if the submitting party does not comply with the applicable certification requirements.

Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, Commerce published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008). Parties wishing to participate in these investigations should ensure that they meet the requirements of these procedures (*e.g.*, the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

This notice is issued and published pursuant to sections 732(c)(2) and 777(i) of the Act, and 19 CFR 351.203(c).

Dated: June 11, 2018.

Gary Taverman,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.

⁶³ See section 782(b) of the Act.

⁶⁴ See also *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Final Rule*). Answers to frequently asked questions regarding the *Final Rule* are available at http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf.

Appendix

Scope of the Investigations

The merchandise covered by these investigations is steel cylinders for compressed or liquefied propane gas (steel propane cylinders) meeting the requirements of, or produced to meet the requirements of, U.S. Department of Transportation (USDOT) Specifications 4B, 4BA, or 4BW, or Transport Canada Specification 4BM, 4BAM, or 4BWM, or United Nations pressure receptacle standard ISO 4706. The scope includes steel propane cylinders regardless of whether they have been certified to these specifications before importation. Steel propane cylinders range from 2.5 pound nominal gas capacity (approximate 6 pound water capacity and approximate 4-6 pound tare weight) to 42 pound nominal gas capacity (approximate 100 pound water capacity and approximate 28-32 pound tare weight). Steel propane cylinders have two or fewer ports and may be imported assembled or unassembled (*i.e.*, welded or brazed before or after importation), with or without all components (including collars, valves, gauges, tanks, foot rings, and overfill prevention devices), and coated or uncoated. Also included within the scope are drawn cylinder halves, unfinished propane cylinders, collars, and foot rings for steel propane cylinders.

An “unfinished” or “unassembled” propane cylinder includes drawn cylinder halves that have not been welded into a cylinder, cylinders that have not had flanges welded into the port hole(s), cylinders that are otherwise complete but have not had collars or foot rings welded to them, otherwise complete cylinders without a valve assembly attached, and cylinders that are otherwise complete except for testing, certification, and/or marking.

These investigations also cover steel propane cylinders that meet, are produced to meet, or are certified as meeting, other U.S. or Canadian government, international, or industry standards (including, for example, American Society of Mechanical Engineers (ASME), or American National Standard Institute (ANSI)), if they also meet, are produced to meet, or are certified as meeting USDOT Specification 4B, 4BA, or 4BW, or Transport Canada Specification 4BM, 4BAM, or 4BWM, or a United Nations pressure receptacle standard ISO 4706.

Subject merchandise also includes steel propane cylinders that have been further processed in a third country, including but not limited to, attachment of collars, foot rings, or handles by welding or brazing, heat treatment, painting, testing, certification, or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the in-scope steel propane cylinders.

Specifically excluded are seamless steel propane cylinders and propane cylinders made from stainless steel (*i.e.*, steel containing at least 10.5 percent chromium by weight and less than 1.2 percent carbon by weight), aluminum, or composite fiber material. Composite fiber material is material consisting of the mechanical combination of two components: fiber (typically glass, carbon, or aramid (synthetic polymer)) and a matrix material (typically polymer resin, ceramic, or metallic).

The merchandise subject to these investigations is properly classified under statistical reporting numbers 7311.00.0060 and 7311.00.0090 of the Harmonized Tariff Schedule of the United

States (HTSUS). Although the HTSUS statistical reporting numbers are provided for convenience and customs purposes, the written description of the merchandise is dispositive.
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